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September 20, 2006

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HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

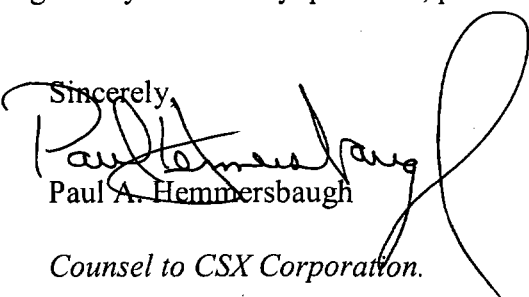
Re: Ex Parte No. 661, Rail Fuel Surcharges

Dear Secretary Williams:

Enclosed, for filing in the above-referenced proceeding, are an original and ten copies of CSX Corporation's response to the Board's request for voluntary interim reporting. *See* STB Ex Parte No. 661, Decision at 6 (served Aug. 3, 2006). A diskette containing an electronic version of that response is also enclosed.

Please acknowledge receipt of the enclosed CSX response by date-stamping the enclosed extra copies and returning them via our messenger. If you have any questions, please contact the undersigned counsel.

Sincerely,


Paul A. Hemmersbaugh

Counsel to CSX Corporation.

Enclosures

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September 20, 2006

Hon. Vernon A. Williams
Secretary
Surface Transportation Board
1919 K Street, N.W.
Washington, D.C. 20423-0001

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Re: Ex Parte No. 661, Rail Fuel Surcharges

Dear Secretary Williams:

In its Decision served August 3, 2006, the Board proposes to require rail carriers to report certain specific, detailed information regarding fuel expenses, fuel consumption, and surcharges. The Board further requested that the railroads voluntarily report this data to it prior to a final resolution of this proceeding.

CSX Transportation ("CSXT") has carefully studied the Board's proposed reporting requirements. Conceptually, CSXT supports the Board's goal of increased reporting of fuel-related data by the railroads. And, once the Board's final reporting requirements have been determined, CSXT intends to do whatever it reasonably can to develop the information technology systems that may be needed to comply with those requirements.

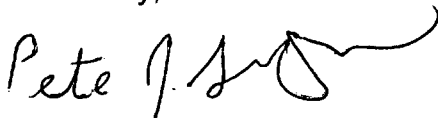
Unfortunately, at the present time, CSXT is simply unable to comply with the reporting requirements as proposed by the Board in its Decision. CSXT will endeavor to provide more detail regarding the difficulties with meeting the proposed information reporting in its formal comments on the Board's proposals, now due on October 2, 2006. However, even at this juncture, we can report that some of CSXT's concerns include the following:

- CSXT records are based on 4-week, 4-week, 5-week accounting periods, not calendar months as we understand the other Class I railroads may use. Accordingly, any reporting by CSXT on a monthly basis, if it is ultimately required, would require substantial technology work to develop these reports.

- The fuel surcharge data requested is not currently available in the aggregated and separated categories requested, and would require technology development to report, if ultimately adopted in the format proposed.
- Because most cars are not weighed, CSXT does not have precise revenue ton miles as requested in the proposed reports. CSXT develops Revenue Ton Miles for R-1 reports using estimated tons per car by commodity, not by actual car weight. CSXT believes that those estimates are sufficiently accurate for the purposes for which they are submitted, but it is not yet clear that estimates will be acceptable to the Board in this context, nor that the regulatory outcomes of this proceeding may not require a greater level of specificity than contemplated for the R-1 reports.
- In any event, CSXT does not currently track whether a fuel surcharge is payable in a database that can be matched to a mileage per car record. This, too, would require (potentially significant) technology development to comply should reports as proposed ultimately be adopted.
- In addition to these technical data issues, CSXT will urge the Board to consider how any reporting requirements of this significant cost and revenue information might be structured to achieve consistency in timing of reporting material financial information as between the STB and the SEC.

Again, CSXT understands the Board's interest in detailed reporting of fuel-related information, and we support the Board's intentions and goals to increase understanding of the increased fuel costs that we and other railroads are facing. The brief explanations offered above are not intended to duplicate the comments CSXT will offer in its October 2 comments, but rather to help the Board understand why CSXT is not in a position to provide the information requested at this time. CSXT sincerely regrets that it is simply not in a position to provide this data today, and we emphasize that CSXT will need time to develop systems to accommodate the reasonable, practical reporting requirements that it urges the Board to adopt in this proceeding.

Yours truly,



Peter J. Skudtz